In Selection 6, Linda Burnham examines the wage gap through the lens of gender. She offers an intersectional discussion of how the gender gap and the racial gap in wages affect African American women who are both unemployed at higher rates than other women and overrepresented among low-wage workers. The material in this selection documents a persistent wage gap over many years based on sex and suggests that racism and sexism, not ability or qualifications, have determined which jobs women and men do and how much worth is attached to their work. In Selection 7, Ai-jen Poo shows this gap in her piece about domestic workers, who perform one of the oldest forms of labor that has been devalued in our economic system, as well as describing organizing strategies that build from this platform of "women's work" as a way to move toward more equitable distribution of worth and compensation.

In sharp contrast to the reality that the articles and statistics in this section describe, the mythology of the American Dream continues to assure us that hard work and ability, not family background or connections, are the key to success. As we have already seen, the spectacular increase in American inequality has made the gap between the rich and the middle class wider, and hence more difficult to cross, than it was in the past. And this unequal treatment starts well before a student ever thinks of seeking to enroll in higher education. Selection 8, by Bob Feldman, reports on the "savage inequalities" of school funding across the country, which continues to see wealthy, white school districts receiving significantly more funding than poor districts and districts with large numbers of students of color. You may find it interesting to jump back to Part II's "Unequal Childhoods: Class, Race, and Family Life" by Annette Lareau or ahead to Part VIII and the article titled "Still Separate, Still Unequal: America's Educational Apartheid" by Jonathan Kozol.

In Selection 9, Tracie McMillan looks at hunger inequality and finds that "in the United States more than half of hungry households are white, and two-thirds of those with children have at least one working adult—typically in a full-time job." Declining wages help to explain why one-sixth of Americans do not have enough to eat. In Selection 10, Ed Pilkington shows us a different angle on the question of economic inequality through a discussion of how gender expression and self-determination can be shaped by material realities and access to resources.

The relationship between poverty or income inequality and poor health is explored in a sobering article by Alejandro Reuss titled "Cause of Death: Inequality" (Selection 11). According to the findings Reuss presents, there is a high correlation between life expectancy, chronic disease, death by injury, and generally poor health on the one hand and low income or low status on the other. Perhaps most surprising is Reuss's assertion that those of us who are worse off in the United States are not well off by comparison with people in other countries. While we may be better off with respect to consumer goods, he reports, we are decidedly not with respect to health and heath care. His conclusion: Inequality can kill.

Part V concludes with an essay by Eduardo Porter that looks at the alarming ways inequality limits what is held most dear to Americans: democracy. As the gaps grow bigger between the haves and have nots, the U.S. government will find it harder and harder to address inequality, and democratic institutions will in turn be destabilized.

1 Imagine a Country

Holly Sklar

Imagine a country living history in reverse.

The average worker's wage buys less today than it did in the 1970s.

The minimum wage buys less than it did in the 1950s.

Income inequality has roared back to the 1920s.

It's not Ireland.

Imagine a country where the richest family derives its fortune from the nation's largest employer—a company famous for paying poverty wages.

Imagine a country where one out of four children is born into poverty, and wealth is being redistributed upward. Since the 1970s, the richest 1 percent of households has nearly doubled its share of the nation's wealth. The top 1 percent has more wealth than the bottom 90 percent of households combined.

It's not Mexico.

Imagine a country where none of the nation's income growth goes to the bottom 90 percent of people.

Between 1973 and 2010, all of the nation's income growth went to the top 10 percent. Income for the bottom 90 percent declined, adjusted for inflation.

It wasn't always like that. Between 1947 and 1973, the richest 10 percent got 32 percent of the nation's growth. The bottom 90 percent shared 68 percent of the nation's income growth.

Imagine a country where, by 2007, the richest 1 percent had increased their share of the nation's income to the second-highest level on record, nearly tying the record set in 1928—on the eve of a great depression.

Not coincidentally, the nation experienced its worst economic downturn since the great depression—from December 2007 until June 2009, when the economy began growing again but unemployment, underemployment and foreclosures remained high.

Imagine a country where in 2010—the first year of economic recovery after a "great recession"—93 percent of all the nation's income growth went to the richest 1 percent.

Imagine a country where more and more jobs are keeping people in poverty instead of out of poverty.

Imagine a country where healthcare aides can't afford to take sick days. Where farm workers and security guards turn to overwhelmed food banks to help feed their families, and homelessness is rising among working families.

Imagine a country where some are paid so little their children go without necessities—while others are paid so much their grandchildren could live in luxury without having to work at all.

Imagine a country ranked number 42—between Uruguay and Cameroon—in the list of nations from greatest to least inequality in family income distribution. More than ninety countries are less unequal.

It's not Argentina.

Imagine a country where taxes were cut so much that the nation's richest bosses pay lower effective rates than workers. The nation's 400 richest taxpayers paid an average federal tax rate of 19.9 percent in 2009—down from 29.9 percent in 1995.

As a *Reuters* columnist observed, "The top 400 paid an average income tax rate of 19.9 percent, the same rate paid by a single worker who made $110,000 in 2009. The top 400 earned five times that much every day."

Imagine a country that gave tax breaks to millionaires while millions of people went without health insurance and the infrastructure built by earlier generations of taxpayers fell apart.

Imagine a country giving nearly a trillion dollars in tax breaks to millionaires and billionaires since 2001 while going into massive debt with other countries.

It's not Greece.

Imagine a country where worker productivity went up, but workers' wages went down.

In the words of the national labor department, "As the productivity of workers increases, one would expect worker compensation [wages and benefits] to experience similar gains." That's what happened between 1947 and 1973. But between 1973 and 2011, productivity grew 80 percent and the average worker wage fell 7 percent adjusted for inflation.

Imagine a country where minimum wage raises have been so little, so late that minimum wage workers earned less in 2012, adjusted for inflation, than they did in 1956.

The national minimum wage reached its peak value back in 1968, when it was $10.55 an hour, adjusted for inflation in 2012 dollars. At the $7.25 minimum wage in effect since 2009, today's full-time minimum wage retail worker, security guard, child care worker or health aide makes just $15,080 a year. Last century's 1968 minimum wage worker made $21,944 a year, adjusted for inflation.

Imagine a country where the minimum wage has become a poverty wage instead of an anti-poverty wage. The minimum wage has lagged so far behind necessities that keeping a roof overhead is a constant struggle and family health coverage would cost nearly all the annual income of a full-time worker at minimum wage.

Imagine a country with poverty rates higher than they were in the 1970s. Imagine a country that sets the official poverty line well below the actual cost of minimally adequate housing, healthcare, food and other necessities. On average, households need more than double the official poverty threshold to meet basic needs.

Imagine a country where some of the worst CEOs make millions more in a year than the best CEOs of earlier generations made in their lifetimes.

In 1980, CEOs of major corporations made an average 45 times the pay of average full-time workers. In 1991, when CEOs made 140 times as much as workers, a prominent pay expert said the CEO "is paid so much more than ordinary workers that he hasn't got the slightest clue as to how the rest of the country lives."

In 2003, a leading business magazine put a pig in a pinstriped suit on the cover and headlined its CEO pay roundup, "Have they no shame? Their performance stank last year, yet most CEOs got paid more than ever." The story began with a quote from George Orwell's *Animal Farm*: "But the pigs were so clever that they could think of a way round every difficulty." In 2011, CEOs at major corporations made 259 times the pay of average full-time workers.

Imagine a country where corporate profits are high and workers' wages are low. The nation's biggest bank explained it this way in 2011: "Reductions in wages and benefits explain the majority of the net improvement in [profit] margins . . . US labor compensation is now at a 50-year low relative to both company sales and US GDP."

It's not England.

Imagine a country where wages have fallen despite greatly increased education. Since 1973, the share of workers without a high school degree has plummeted and the percentage with at least four years of college has more than doubled.

Imagine a country where wages have fallen way behind the costs of major expenses like housing, health and college. Between 1970 and 2009, adjusted for inflation, rent and utilities rose 41 percent, health expenditures rose 50 percent, public college rose 80 percent and private college rose 113 percent.

Imagine a country where the wages of young college graduates (age 21–24) fell 5.4 percent between 2000 and 2011. But, as the College Board reports, "Over the decade from 2000–01 to 2010–11, total borrowing per full-time equivalent student for undergraduate and graduate students combined increased by 57% in inflation-adjusted dollars. Undergraduate borrowing increased by 56% per FTE student."

Students from lower-income families receive smaller grants from colleges and universities than students from upper-income families.

Imagine a country where households headed by persons under age 55 had much lower median net worth (assets minus debt) in 2010 than in 1989, adjusted for inflation.

Imagine a country where more and more two-paycheck households are struggling to afford a home, college, healthcare and retirement once normal for middle-class households with one paycheck. Middle-class households are a medical crisis, outsourced job or busted pension away from bankruptcy.

Households tried to prop themselves up in the face of falling real wages by maxing out work hours, credit cards and home equity loans. Consumer spending makes up about 70 percent of the economy. An economy fueled by rising debt rather than rising wages is a house of cards.

Imagine a country where underpaid workers are bailing out banks and corporations run by overpaid, undertaxed bosses who milked their companies and country like cash cows and crashed the world economy.

Imagine a country where "too big to fail" banks are bigger than before the financial meltdown. The assets of the five biggest banks were equal to 56 percent of the nation's economy in 2011. That's up from 43 percent in 2006.

It's not Germany.

Imagine a country where more workers are going back to the future of sweatshops and day labor. Corporations are replacing full-time jobs with disposable

contingent workers." They include temporary employees, on-call workers, contract workers, freelancers and "leased" employees—some of them fired and then "rented" back at a large discount by the same company—and involuntary part-time workers, who want permanent full-time work.

How do workers increasingly forced to migrate from job to job, at low and variable wage rates, without health insurance or paid vacation, much less a pension, care for themselves and their families, pay for college, save for retirement, plan a future, build strong communities?

Imagine a country, which negotiated "free trade" agreements, helping corporations trade freely on cheap labor at home and abroad.

Imagine a country becoming a nation of Scrooge-Marts and outsourcers—with an increasingly low-wage, underemployed workforce instead of a growing middle class.

It's not Canada.

Imagine a country where polls show most workers would join a union if they could, but for decades, employers have routinely violated workers' rights to organize.

A leading business magazine observed in 2004, "While labor unions were largely responsible for creating the broad middle class after World War II . . . that's not the case today. Most . . . employers fiercely resist unionization, which, along with other factors, has helped slash union membership to just 13% of the workforce, vs. a mid-century peak of more than 35%."

By 2011, the union membership rate was just 11.8 percent. Full-time workers who were union members had median 2011 weekly earnings of $938 compared with just $729 for workers not represented by unions.

It's not South Korea.

Imagine a country where nearly two-thirds of women with children under age 6 and more than three-fourths of women with children ages 6–17 are in the labor force, but paid family leave and affordable childcare and after-school programs are scarce. Apparently, kids are expected to have three parents: Two parents with jobs to pay the bills, and another parent to be home in mid-afternoon when school lets out—as well as all summer.

Imagine a country where women working full time earn 77 cents for every dollar men earn. Women don't pay 77 cents on a man's dollar for their education, rent, food or healthcare. The gender wage gap has closed just 13 cents since 1955, when women earned 64 cents for every dollar earned by men. There's still another 23 cents to go.

The average female high school graduate who works full time, year round from ages 25 to 64 will earn about $383,000 less than the average male high school graduate. The gap widens to $654,000 for full-time workers with Bachelor's degrees and $824,000 for workers with Master's degrees. The gap shrinks to $609,000 for those with PhDs. But it balloons for full-time workers with professional degrees: women will earn $1,023,000 less than men in the course of their careers.

Imagine a country where childcare workers, mostly women, typically make less than baggage porters and bellhops and much less than animal trainers and pest control workers. Out of nearly 800 occupations surveyed by the labor department, only 20 have lower median hourly wages than childcare workers.

Imagine a country where women are 47 percent of the nation's labor force but just 4 percent of the CEOs and 14 percent of the executive officers at the largest 500 companies. Never mind that companies with a higher share of women in their senior management teams financially outperform companies with lower representation.

Imagine a country where discrimination against women is pervasive from the bottom to the top of the pay scale, and it's not because women are on the "mommy track." The words of a leading business magazine still ring true, "At the same level of management, the typical woman's pay is lower than her male colleague's—even when she has the exact same qualifications, works just as many years, relocates just as often, provides the main financial support for her family, takes no time off for personal reasons, and wins the same number of promotions to comparable jobs."

Imagine a country where instead of rooting out discrimination, many policy makers blame women for their disproportionate poverty. If women earned as much as similarly qualified men, poverty in single-mother households would be cut in half.

It's not Japan.

Imagine a country where violence against women remains common. "Females made up 70% of victims killed by an intimate partner in 2007, a proportion that has changed very little since 1993," the department of justice reports. In 2007, 24 percent of female homicide victims were killed by a spouse or ex-spouse; 21 percent were killed by a boyfriend or girlfriend; and 19 percent were killed by another family member. Researchers say, "Men commonly kill their female partners in response to the woman's attempt to leave an abusive relationship."

The country has no equal rights amendment.

It's not Pakistan.

Imagine a country whose school system is rigged in favor of the already privileged, with lower caste children tracked by race and income into the most deficient and demoralizing schools and classrooms. Public school budgets are heavily determined by private property taxes, allowing higher income districts to spend more than poorer ones.

In rich districts, kids take modern libraries, laboratories and computers for granted. In poor districts, they are rationing out-of-date textbooks and toilet paper. Rich schools often look like country clubs—with manicured sports fields and swimming pools. In poor districts, schools often look more like jails—with concrete grounds and grated windows. College prep courses, art, music, physical education, field trips and foreign languages are often considered necessities for the affluent, luxuries for the poor.

It's not India.

Imagine a country whose constitution once counted black slaves as worth three-fifths of whites. Today, black per capita income is about three-fifths of whites'.

Imagine a country where racial disparities take their toll from birth to death. The black infant mortality rate is more than double that of whites. Black life expectancy is more than four years less. The official black unemployment rate is about twice that of whites and the black poverty rate is about triple that of whites.

Imagine a country where the government subsidized decades of segregated suburbanization for whites while the inner cities left to people of color were treated as

outsider cities—separate, unequal and disposable. Studies have documented continuing discrimination in housing, education, employment, banking, insurance, healthcare and criminal justice.

Imagine a country where the typical white household has more than six times the net worth of the typical household of color. In 2010, median household net worth—including home equity—was $130,600 for white households and just $20,400 for households of color.

It's not South Africa.

Imagine a country that doesn't count you as unemployed just because you're unemployed. To be counted in the official unemployment rate you must be actively searching for work. The government doesn't count people as "unemployed" if they are so discouraged from long and fruitless job searches they have given up looking. It doesn't count as "unemployed" those who couldn't look for work in the past month because they had no childcare, for example. If you need a full-time job, but you're working part-time—whether 1 hour or 34 hours weekly—because that's all you can find, you're counted as employed.

A leading business magazine observed, "Increasingly the labor market is filled with surplus workers who are not being counted as unemployed."

Imagine a country where there is a shortage of jobs, not a shortage of work. Millions of people need work and urgent work needs people—from staffing schools, libraries, health centers and fire stations, to creating affordable housing, to repairing bridges and building mass transit, to cleaning up pollution and converting to renewable energy.

It's not Spain.

Imagine a country with full prisons instead of full employment. The jail and prison population has more than quadrupled since 1980. In 1980, one in every 453 residents was incarcerated. In 2010, the figure was one in every 137. The figures are even grimmer when it comes to people in prison or jail or on probation or parole: one in every 44 people (including children) is under some form of correctional control.

Imagine a country that is Number One in the world when it comes to locking up its own people. It has less than 5 percent of the world's population, but 23 percent of the world's incarcerated population.

Imagine a country where prison is a growth industry. State governments spend an average $29,000 a year to keep someone in prison, while cutting cost-effective programs of education, job training, employment, community development, and mental illness and addiction treatment to keep them out. In the words of a national center on institutions and alternatives, this nation has "replaced the social safety net with a dragnet."

A leading magazine reported in a piece titled "Incarceration Nation" that state expenditures for prisons rose at six times the rate of spending on higher education in the past 20 years. In 2011, the nation's largest state spent $9.6 billion on prisons and $5.7 billion on state colleges and universities. The article noted that since 1980, the state "built one college campus and 21 prisons. A college student costs the state $8,667 per year; a prisoner costs it $45,006 a year."

It's not China.

Imagine a country that imprisons black people at a rate much higher than South Africa did under apartheid. One out of ten black men ages 30–34 were locked up in prisons or jails compared to one out of 61 white men in the same age group in 2010. The overall incarceration rate for black women is three times higher than for white women.

Meanwhile, one out of seven black men and women were unemployed according to the official count in mid 2012 compared to one out of fourteen white men and women. Remember, to be counted in the official unemployment rate you must be actively looking for a job and not finding one. "Surplus" workers are increasingly being criminalized.

Imagine a country whose justice department observed, "The fact that the legal order not only countenanced but sustained slavery, segregation, and discrimination for most of our Nation's history—and the fact that the police were bound to uphold that order—set a pattern for police behavior and attitudes toward minority communities that has persisted until the present day." Racial profiling and "driving while black" are well-known terms.

Imagine a country where from first arrest to third strikes resulting in lifetime sentences—often for nonviolent petty crimes—blacks and Latinos are arrested and imprisoned in massively disproportionate numbers.

Imagine a country waging a racially biased "War on Drugs." Although blacks and whites engage in drug offenses at comparable rates, a human rights group reports, blacks are ten times more likely than whites to enter prison for drug offenses. Between 1999 and 2007, 80 percent or more of all drug arrests were for possession, not sales.

A study in a prominent medical journal found that drug and alcohol rates were slightly higher for pregnant white women than pregnant black women, but black women were about ten times more likely to be reported to authorities by private doctors and public health clinics—under a mandatory reporting law. Poor women were also more likely to be reported.

It is said that truth is the first casualty in war, and the "War on Drugs" is no exception. Contrary to stereotype, "The typical cocaine user is white, male, a high school graduate employed full time and living in a small metropolitan area or suburb," says the nation's former drug czar. A leading newspaper reported that law officers and judges say, "Although it is clear that whites sell most of the nation's cocaine and account for 80% of its consumers, it is blacks and other minorities who continue to fill up [the] courtrooms and jails, largely because, in a political climate that demands that something be done, they are the easiest people to arrest." They are the easiest to scapegoat.

It's not Australia.

Imagine a country that ranks first in the world in wealth and military power, and just 48th in infant mortality, a little better than Croatia and behind countries such as Cuba and South Korea. If the government were a parent, it would be guilty of child abuse. Thousands of children die preventable deaths.

Imagine a country where healthcare is managed for healthy profit. Between 1999 and 2011, the average cost of insurance premiums more than doubled. Other

ndustrialized countries have universal health coverage. But in this nation, one out of five people under age 65 had no health insurance, public or private, at any time in 2010.

"The absence of health insurance is hazardous to your health," says the Institute of Medicine. "Uninsured people, children as well as adults, suffer worse health and die sooner than those with insurance."

Lack of health insurance typically means lack of preventive healthcare and delayed or second-rate treatment. The uninsured are at much higher risk for chronic disease and disability, and uninsured adults have a 25 percent greater chance of dying (adjusting for demographic, socioeconomic and health characteristics). Uninsured women with breast cancer have a 30 percent to 50 percent higher risk of dying than insured women, for example. Severely injured car crash victims who are uninsured receive less care in the hospital and have a 39 percent higher mortality rate than privately insured patients.

Imagine a country where healthcare is literally a matter of life and death, but every day more than 2000 babies are born without health insurance. The country's northern neighbor, which has universal healthcare, has a life expectancy that is three years longer.

Imagine a country where many descendants of its first inhabitants live on reservations strip-mined of natural resources and have a higher proportion of people in poverty than any other ethnic group.

Imagine a country where centuries of plunder and lies are masked in expressions like "Indian giver." Where the military still dubs enemy territory, "Indian country." The 2011 military operation that killed the nation's No. 1 enemy was called Operation Geronimo.

Imagine a country that has less than 5 percent of the world's population and less than 3 percent of the world's proven oil reserves, but consumes 25 percent of the world's oil. The nation's federal spending on clean energy—including research, development and usage subsidies—rose sharply to $44 billion in 2009, and then plummeted in the years after to $16 billion in 2012, with more decreases expected.

Imagine a country whose per capita carbon dioxide emissions from the consumption of energy are nearly two times that of manufacturing powerhouse Germany, three times that of China and 12 times that of India. It has long obstructed international action against catastrophic climate change and continues subsidizing fossil fuels such as the oxymoronic "clean coal."

It's not Brazil.

Imagine a country whose senate and house of representatives are not representative of the nation. They are overwhelmingly white and male, and increasingly millionaire. Forty-two percent of house members were millionaires in 2010, according to financial disclosure records that don't even include the value of their homes or other non-income producing property. In the 100-member senate in 2010, there were 67 millionaires and no women of color. If the senate reflected the population, only one senator would be a millionaire.

Imagine a country that's ranked just number 79—between Morocco and Turkmenistan—when it comes to the percentage of women in national legislative bodies. Just 17 percent of its senate and house of representatives were women in 2012.

If the 100-member senate reflected the population it would have 51 women and 49 men—including 64 whites, 16 Latinos, 13 blacks, 5 Asian and Pacific Islanders, and 1 Native American and 1 other. Instead, it has 17 women and 83 men—including 96 whites, 2 Latinos, 2 Asians and no blacks or Native Americans.

Imagine a country that made it easier for billionaires and corporations to pour money into elections while making it harder for people to vote.

Imagine a country whose leaders misused a fight against terrorism as camouflage for trampling the bill of rights and undermining democracy. The most fundamental civil liberties, including the right of citizens not to be thrown into prison indefinitely or assassinated on the secret word of government officials, were tossed aside.

Imagine a country that leads the world in arms exports and accounts for 41 percent of world military spending. The next highest country accounts for 8 percent.

In this same country, a five-star general who became president had warned in 1961, "In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex . . . We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together."

It's not Russia.

It's the United States.

The words of Dr. Martin Luther King Jr. call down to us today:

"A true revolution of values will soon cause us to question the fairness and justice of many of our past and present policies. We are called to play the Good Samaritan on life's roadside; but . . . one day the whole Jericho road must be transformed so that men and women will not be beaten and robbed as they make their journey through life. . . .

"A true revolution of values will soon look uneasily on the glaring contrast of poverty and wealth. . . . There is nothing but a lack of social vision to prevent us from paying an adequate wage to every American citizen whether he be a hospital worker, laundry worker, maid or day laborer."

SELECTED SOURCES

Bloomberg Businessweek, "Big Banks: Now Even Too Bigger to Fail," April 19, 2012.

Anthony P. Carnevale, et al., *The College Payoff: Education, Occupations, Lifetime Earnings*, Georgetown University Center on Education and the Workforce, 2011.

Catalyst, New York, reports on women in business.

Center for American Women and Politics, Rutgers University, New Jersey.

Center for Responsive Politics, OpenSecrets.org.